

MID-COUNTY REDEVELOPMENT SITE

3720 CAPITOLA ROAD - CAPITOLA, CA



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CARLOS AZUCENA

SENIOR MANAGING DIRECTOR INVESTMENTS
carlos.azucena@marcusmillichap.com
Office: 650.391.1746 | License CA 01738155

JOSHUA JOHNSON

SENIOR DIRECTOR INVESTMENTS
joshua.johnson@marcusmillichap.com
Office: 650.391.1784 | License CA 01930127

KIRK TRAMMELL

EXECUTIVE MANAGING DIRECTOR INVESTMENTS
kirk.trammell@marcusmillichap.com
Office: 650.391.1809 | License CA 01038657

EXECUTIVE SUMMARY

MID-COUNTY REDEVELOPMENT SITE
CAPITOLA, CA

ADDRESS	3720 Capitola Road Capitola, CA 95062
PRICE	\$5,500,000
SITE SIZE	26,337 SF
FRONTAGE	160 Ft on Capitola Road 178 Ft on Bulb Avenue
APN	034-181-14-000
ZONING	C-C, Community Commercial
GENERAL PLAN	Community Commercial



HIGHLIGHTS

- » High visibility infill redevelopment site on Capitola Road
- » Ideal site for retail, affordable housing, senior living, or hospitality
- » Ministerial approval for affordable housing through AB 2011
- » Walking distance to Target, Whole Foods, New Leaf Community Market, Trader Joe's, CVS, and dozens of restaurants and shops
- » Near parks, beaches, popular tourist destinations, libraries, and community centers
- » Capitola Mall was recently re-zoned to allow development of more than 1,700 residential units



BevMo! MCDONALDS

CVS **WHOLE FOODS MARKET**

KOHL'S
★ **MACY'S**
TARGET
Lids
HOT TOPIC
claire's
LENSCRAFTERS
zumiez

ULTA BEAUTY
JOURNEY'S
FAMOUS footwear
VANS
SEPHORA
BECK'S SHOES

Wetzel's
AT&T
Olive Garden ITALIAN KITCHEN

CAPTOLA ROAD

IHOP
Orangetheory FITNESS
OUTDOOR SUPPLY HARDWARE
BR baskin robbins
MAIN & BAGELS
NewLeaf Community Markets
Erik's DeliCafé EST. 1973
See's CANDIES



BULB AVENUE

INVESTMENT SUMMARY

MID-COUNTY REDEVELOPMENT SITE
CAPITOLA, CA

MID-COUNTY REDEVELOPMENT SITE

3720 Capitola Road is an approximately 0.60-acre redevelopment site located at the corner of Capitola Road and Bulb Avenue in the City of Capitola. The site has a rectangular shape with frontage and access along two streets.

COMMERCIAL REDEVELOPMENT POTENTIAL

The site has an excellent location on a commercial thoroughfare in one of the major shopping destinations in Santa Cruz County. The zoning for the property is Community Commercial, which permits a wide range of personal services, business services, retail sales, and office use.

RESIDENTIAL REDEVELOPMENT POTENTIAL

As with most communities in the area, Capitola has a need for more housing. Redevelopment of the site with residential uses is allowed in a mixed-use project, and development of affordable housing would be permitted using state laws such as AB 2011. Additionally, the state density bonus law could be used to build an affordable housing project at a higher density than is permitted under the existing zoning.

WALKING DISTANCE TO RETAIL AMENITIES

The subject property is located in the main retail destination in the county. There is approximately 1.2 million square feet of retail space at the intersection of Capitola Road and 41st Avenue, including the Capitola Mall. The mall is the largest retail development in Santa Cruz County and spans 46 acres. Major retailers in the area include Target, Whole Foods, New Leaf, CVS, Trader Joe's, Kohl's, Macy's, Michaels, and Ross.

ACCESS TO OUTDOOR RECREATION

3720 Capitola Road is a short distance from multiple beaches and local, county, and state parks. Pleasure Point, The Hook, and Capitola Beach are among the top surfing destinations in Santa Cruz County and attract surfers of all experience levels.

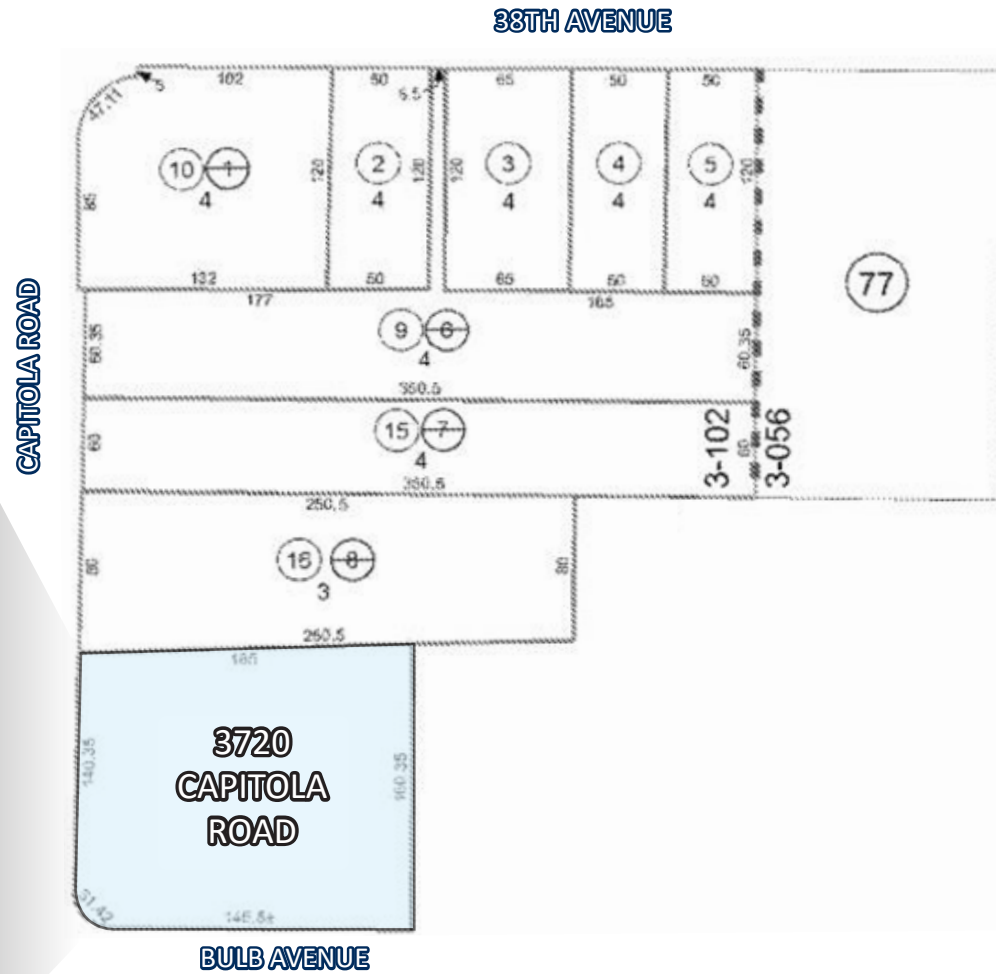
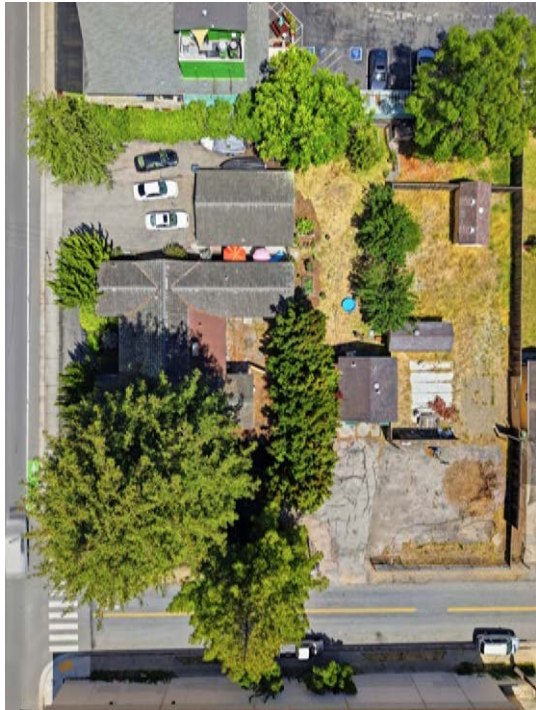
CAPITOLA MALL RE-ZONING

In March 2026, the Capitola City Council adopted an update to the zoning ordinance for the Capitola Mall. Under the new zoning, a total of 1,777 new residential units could be developed on the mall site. The addition of housing to the mall site will transform the property into a walkable mixed-use district.



PARCEL MAP

MID-COUNTY REDEVELOPMENT SITE
CAPITOLA, CA



RETAIL AERIAL

MID-COUNTY REDEVELOPMENT SITE
CAPITOLA, CA

BROWN RANCH MARKETPLACE



MEN'S WEARHOUSE

BURGER KING



MATTRESS FIRM

CHASE

Comerica



BevMo!

MCDONALDS

CVS

WHOLE FOODS MARKET



CAPITOLA DMV



verizon

CAPITOLA MALL



CAPITOLA ROAD

3720 CAPITOLA ROAD

KINGS PLAZA SHOPPING CENTER



41ST AVENUE



ihop **BR** baskin
robbins

See's
CANDIES

Erik's DeliCafé
EST. 1973



NewLeaf
Community Markets

Orangetheory
FITNESS

OUTDOOR
SUPPLY HARDWARE



AT&T

KOHL'S



TARGET

★ macy's

ULTA
BEAUTY



BECK'S SHOES

VANS

FAMOUS
footwear



JOYRAYS

LENSCRAFTERS

Lids



HOT TOPIC

Olive
Garden
ITALIAN KITCHEN

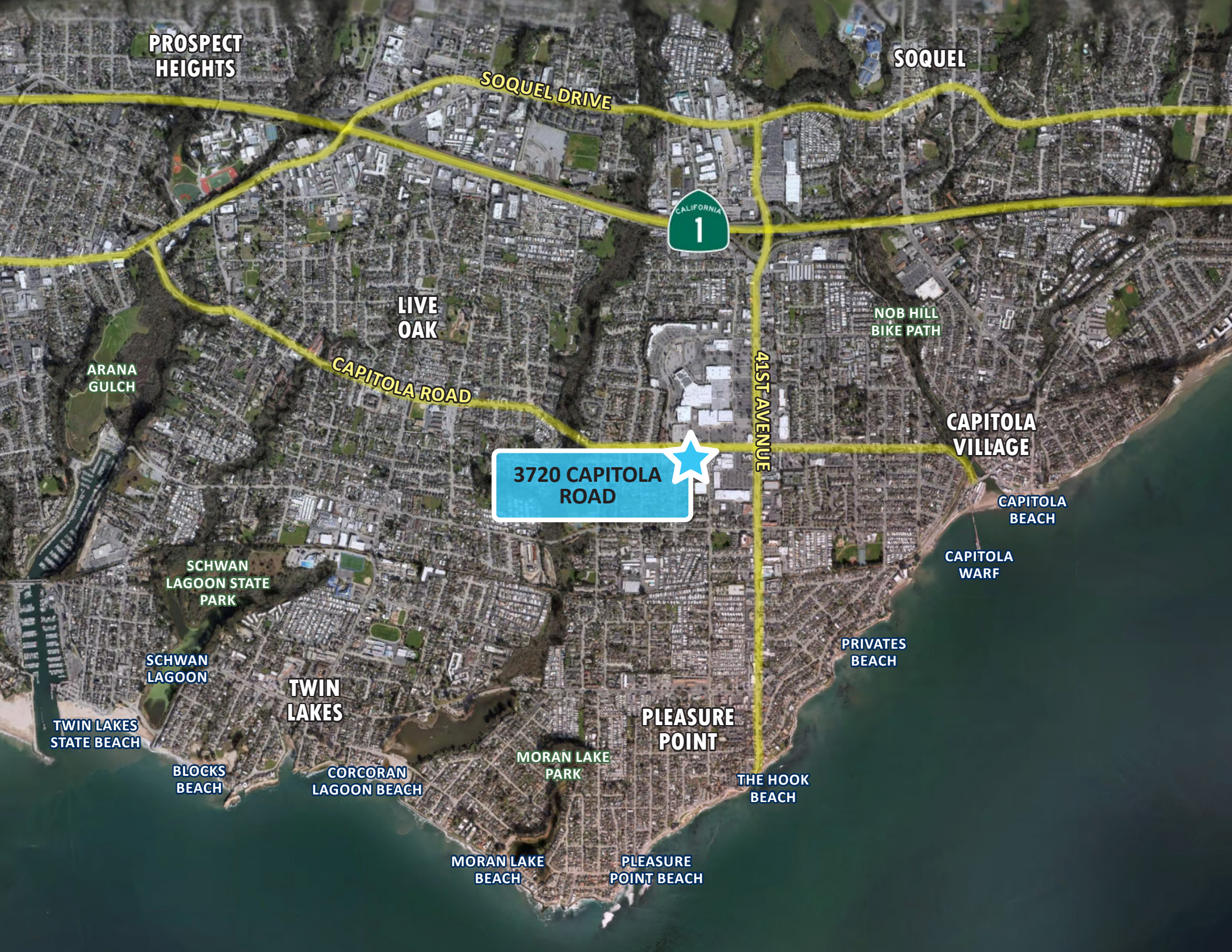
SEPHORA

claire's

zumiez

BULB AVENUE

CAPITOLA ROAD



PROSPECT
HEIGHTS

SOQUEL

SOQUEL DRIVE



LIVE
OAK

ARANA
GULCH

NOB HILL
BIKE PATH

CAPITOLA ROAD

41ST AVENUE

CAPITOLA
VILLAGE

3720 CAPITOLA
ROAD



CAPITOLA
BEACH

CAPITOLA
WARF

SCHWAN
LAGOON STATE
PARK

SCHWAN
LAGOON

PRIVATES
BEACH

TWIN
LAKES

TWIN LAKES
STATE BEACH

BLOCKS
BEACH

CORCORAN
LAGOON BEACH

PLEASURE
POINT

MORAN LAKE
PARK

THE HOOK
BEACH

MORAN LAKE
BEACH

PLEASURE
POINT BEACH

NEARBY DEVELOPMENTS

MID-COUNTY REDEVELOPMENT SITE
CAPITOLA, CA

THURBER LANE AND SOQUEL DRIVE

Anton Development is building a 173-unit affordable housing development on a 6.26-acre site. The project will offer units to residents who earn between 30% AMI and 70% AMI. Construction is expected to commence later this year.

1960 MACIEL AVENUE

Warmington Residential is developing 21 detached single-family residences on this 2.37-acre site. The project will include three homes offered to moderate income households. Timing for this development is unknown.

841 CAPITOLA ROAD

Workbench proposed a 57-unit affordable housing development on this site. The project was approved but local residents later challenged the approval claiming the developer's use of a Builder's Remedy application came too late. The development is currently on hold awaiting resolution of the legal challenge.

1098 38TH AVENUE

MidPen housing recently secured funding for a 52-unit affordable housing development on 1.98-acre site. The project will serve household earning less than 60% of Area Median Income. Construction is expected to be completed in 2028.

2755 41ST AVENUE

The Pacific Companies is building a 256-unit affordable housing development on a 2.69-acre site. The project will serve households earning between 30% AMI and 70% AMI and is expected to be completed in 2028.

CAPITOLA MALL

The City of Capitola recently amended the zoning ordinance to allow for residential development on the Capitola Mall site. The new zoning ordinance allows up to 1,777 new residential units to be built. Merlone Geier Partners, which owns most of the mall, has not yet announced any redevelopment plans for the mall.

3720 CAPITOLA ROAD

4401 CAPITOLA ROAD

CRP Affordable Housing & Community Development recently completed a 36-unit affordable housing project. The development offers one-, two-, and three-bedroom units to renters who earn between 30% AMI and 80% AMI. The property was completed in 2025.

GENERAL PLAN

COMMUNITY COMMERCIAL (C-C)

The C-C designation provides an area for commercial uses primarily serving Capitola residents. Permitted land uses include general retail, personal services, restaurants, offices, and multi-family housing as part of a mixed-use project. The maximum permitted floor area ratio in the C-C designation is 1.0, with an FAR of 2.0 permitted if special criteria are met.

ZONING

COMMUNITY COMMERCIAL (C-C)

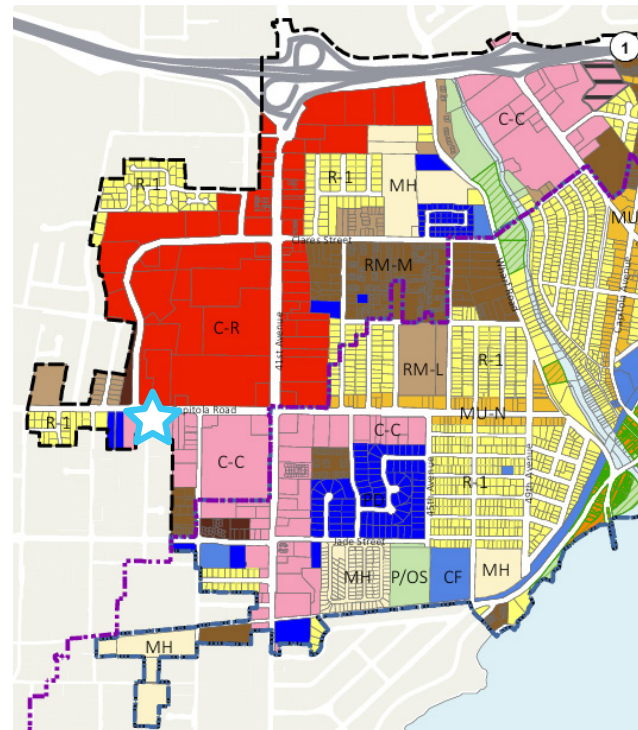
The purpose of the C-C zoning district is to provide areas for a variety of commercial uses serving Capitola residents and visitors. The C-C zoning district allows for retail, restaurants, and services that meet the daily needs of the community. The scale, intensity, and design of development in the C-C zoning district shall be compatible with adjacent neighborhoods and contribute to Capitola's unique coastal village character. Interspersed residential and office uses in the C-C zoning district shall support a diverse local economy and range of housing choices.

Permitted uses include a wide range of business services, personal services, retail sales, and office use. Drug stores, banks, general merchandise stores, convenience shops, pet stores, department stores, grocery stores, barber shops and beauty salons, nail salons, dry cleaning establishments, self-service laundromats, tailors, tanning salons, state-licensed massage therapists, fitness studios, yoga studios, dance studios, pet grooming services, veterinary clinics, computer rental and repair, catering, printing and duplicating services, outdoor advertising services, package delivery services, equipment rental and leasing, professional office, medical office, financial institutions, and other similar land uses are allowed in the Community Commercial zoning district.

Residential uses, including senior housing facilities, may be allowed with a conditional use permit or as part of a mixed-use development. Affordable housing would also be permitted using AB 2011.

DEVELOPMENT STANDARDS

MINIMUM PARCEL AREA	5,000 Square Feet
MINIMUM PARCEL WIDTH	50 Feet
MINIMUM PARCEL DEPTH	100 Feet
FRONT SETBACK	15 Feet
REAR SETBACK	0 Feet
INTERIOR SIDE SETBACK	0 Feet
STREET SIDE SETBACK	15 Feet
MAXIMUM FLOOR AREA RATIO	1
MAXIMUM HEIGHT	40 Feet



3720 Capitola Road

Mixed-Use Zoning Districts

- MU-V - Mixed Use Village
- MU-N - Mixed Use Neighborhood

Commercial and Industrial Zoning Districts

- C-R - Regional Commercial
- C-C - Community Commercial

Residential Zoning Districts

- R-1 - Single-Family Residential
- RM-L - Multi-Family Residential, Low Density
- RM-M - Multi-Family Residential, Medium Density
- RM-H - Multi-Family Residential, High Density
- MH - Mobile Home Park
- I - Industrial

Other Zoning Districts

- P/OS - Parks and Open Space
- CF - Community Facility
- PD - Planned Development
- VS - Visitor Serving

MID-COUNTY REDEVELOPMENT SITE
CAPITOLA, CA

Merlone Geier purchased most of the mall property from The Macerich Company in 2016 with the intent of redeveloping the site. After an initial plan stalled due to the pandemic in 2020, the owner worked with the city to update the zoning for the mall. In March 2026, the city adopted an ordinance amending the zoning for the mall. The new ordinance allows for a reduction in commercial use on the mall site and construction of up to 1,777 residential units. Merlone Geier has not submitted any formal plans for redevelopment of the mall, but it's likely the site will eventually be redeveloped into a walkable mixed-use residential and commercial project.



CITY OF CAPITOLA

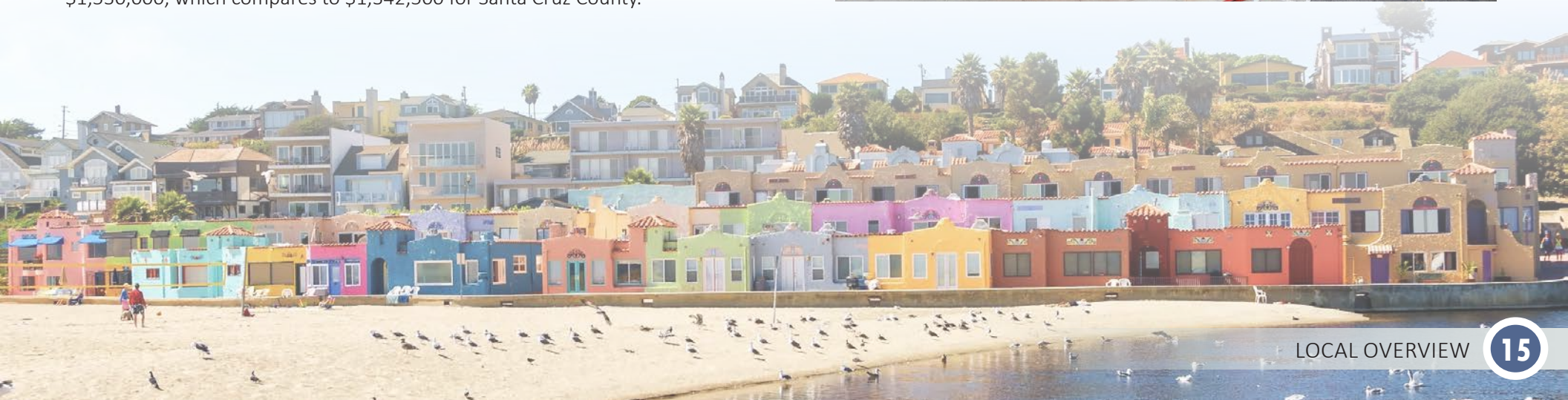
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CAPITOLA, CA

The City of Capitola sits on the shores of the Pacific Ocean along Monterey Bay. Located just 35 miles southwest of San Jose and less than two hours' drive from San Francisco, "Camp Capitola" began as a popular beachfront tourist destination. Today the city maintains those roots and has added a vibrant commercial district and several distinct residential neighborhoods.

Capitola Village is a picturesque tourist district with 90 shops and restaurants just steps from the beach. There are many boutique hotels and vacation rental properties in Capitola Village, making it a great place to eat, shop, surf, swim, and stay. Local attractions include the Capitola Wharf, Capitola Historical Museum, and the California Coastal Trail.

The city is home to beautiful coastal state parks and beaches, including New Brighton State Beach, Capitola Beach, Hooper Beach, and Trees Beach. Capitola Beach is a good surfing location for beginners and nearby Pleasure Point is known as one of the most popular surfing spots in Santa Cruz County for more experienced surfers. Capitola Beach Cove and Hooper Beach Cove are both popular with kayakers and paddleboarders.

The city had an estimated population of 10,048 as of 2025 and is forecast to grow about 1% over the next five years. As with most cities in California, the primary constraint to growth is the lack of vacant developable land. The median household income was \$97,997 in 2025 and has nearly doubled over the last 15 years. Although the median income is lower than for the county overall, the cost of housing in Capitola is much higher. As of May 2026, the median home price in Capitola was \$1,530,000, which compares to \$1,342,500 for Santa Cruz County.



SANTA CRUZ COUNTY

MID-COUNTY REDEVELOPMENT SITE
CAPITOLA, CA

Santa Cruz County sits along the Pacific Ocean and is the second smallest county in California in terms of land area. As of 2025, the county had an estimated population of 259,820 in 96,647 households. Historically, growth has been constrained by local slow-growth attitudes and concerns about protecting the environment. However, with recent changes to state housing laws, the county will be required to add more housing. The addition of housing will likely occur in more urban areas of the county.

The economy in Santa Cruz County is centered around the technology and education sectors, as well tourism and agriculture. The University of California, Santa Cruz is the largest employer in the county, with more than 8,000 employees UC Santa Cruz is one of ten campuses in the UC system and is a premier research institution. As of 2025, UC Santa Cruz had an enrollment of more than 20,140 students. Santa Cruz County is located near Silicon Valley and is home to many technology companies, such as Plantronics, ProductOps, Joby, File Open, and Looker.

Santa Cruz County is also a popular tourist destination and has many attractions, including the famous Beach Boardwalk. Visitors enjoy access the numerous outdoor recreational activities, such as hiking and mountain biking in the Santa Cruz Mountains, surfing and swimming in the ocean, and shopping and dining on Pacific Avenue and in Capitola Village. The populated areas of the county are situated between the Santa Cruz Mountains and Monterey Bay and have a temperate climate that is characterized by cool, wet winters and mild, dry summers.

The county is diverse geographically and encompasses mountainous regions such as the San Lorenzo River Valley, urban areas in Santa Cruz and mid-county, and the fertile Pajaro Valley. In recent years, the county has felt the effects of growth in Silicon Valley. The cost of housing in Santa Cruz County has increased significantly and it is one of the least affordable counties in California in terms of the relationship of housing costs to the median income in the area.



DEMOGRAPHICS

POPULATION	1 MILE	3 MILES	5 MILES
2030 Projection	23,278	71,743	124,005
2025 Estimate	23,149	71,079	122,920
Growth 2025 - 2030	0.56%	0.93%	0.88%
2010 Census	22,878	70,376	120,973
2020 Census	23,057	70,888	123,729
Growth 2010 - 2020	0.78%	0.73%	2.28%

INCOME - 2025 ESTIMATE	1 MILE	3 MILES	5 MILES
\$200,000 or More	17.45%	20.71%	23.44%
\$150,000 - \$199,999	10.60%	11.07%	11.28%
\$100,000 - \$149,999	20.26%	19.82%	19.04%
\$75,000 - \$99,999	13.37%	10.89%	9.89%
\$50,000 - \$74,999	13.33%	12.04%	10.92%
\$35,000 - \$49,999	7.34%	7.05%	7.09%
\$25,000 - \$34,999	4.43%	4.87%	5.07%
\$15,000 - \$24,999	4.55%	5.12%	5.04%
\$10,000 - \$14,999	3.40%	3.79%	3.41%
Under \$9,999	5.26%	4.63%	4.81%
Average Household Income	\$127,250	\$135,808	\$141,486
Median Household Income	\$98,939	\$105,661	\$110,857
Estimated Per Capita Income	\$53,398	\$57,330	\$58,812

HOUSEHOLDS	1 MILE	3 MILES	5 MILES
2030 Projections	9,686	30,062	50,634
2025 Estimate	9,627	29,840	50,283
Growth 2025 - 2030	0.61%	0.74%	0.70%
2010 Census	9,341	29,495	49,418
2020 Census	9,523	29,440	49,655
Growth 2010 - 2020	1.94%	-0.18%	0.48%

HOUSING OCCUPANCY STATUS	1 MILE	3 MILES	5 MILES
2030 Owner Occupied (Est.)	47.05%	47.55%	48.73%
2030 Renter Occupied (Est.)	42.30%	41.66%	39.82%
2030 Vacant (Est.)	10.65%	10.80%	11.45%
2025 Owner Occupied	46.94%	47.43%	48.65%
2025 Renter Occupied	42.40%	41.76%	39.91%
2025 Vacant	10.66%	10.80%	11.43%
2020 Owner Occupied	46.35%	46.98%	48.25%
2020 Renter Occupied	43.04%	42.26%	40.41%
2020 Vacant	10.61%	10.76%	11.34%
2010 Owner Occupied	44.65%	45.21%	47.20%
2010 Renter Occupied	44.21%	44.67%	42.67%
2010 Vacant	11.14%	10.12%	10.13%

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CARLOS AZUCENA

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carlos.azucena@marcusmillichap.com

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